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 Attorneys for the Official Committee  
 of Holders of Executory Contract Rights through  
 USA Commercial Mortgage Company ("Official Committee of  
 Direct Lenders")

**UNITED STATES BANKRUPTCY COURT**  
**FOR THE DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC  
☐ USA Securities, LLC

Case Nos.:  
 BK-S-06-10725-LBR  
 BK-S-06-10726-LBR  
 BK-S-06-10727-LBR  
 BK-S-06-10728-LBR  
 BK-S-06-10729-LBR

JOINTLY ADMINISTERED  
 Chapter 11

**OFFICIAL COMMITTEE  
 OF DIRECT LENDERS  
 OPPOSITION TO DEBTORS'  
 MOTION FOR ORDER  
 APPROVING CONTINUED  
 USE OF CASH THROUGH  
 JULY 29, 2006, PURSUANT TO  
 SECOND REVISED BUDGET**

Date: June 15, 2006  
 Time: 9:30 a.m.

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1 On May 22, 2006, this Court entered its Second Order Approving Debtors' Cash  
2 Management Procedures and Cash Usage ("Cash Order"). Generally, the Cash Order authorized  
3 the Debtors to fund the operation and administration of their respected estates through their one  
4 percent (1%) annual servicing fee the Debtor receives for ongoing collections in its capacity as a  
5 loan servicer. Otherwise, the Court ordered the segregation of all principal and interest received  
6 from ongoing collections.  
7

8 On June 9, 2006, Debtors filed their Notice of Filing of Amended Thirteen Week Cash  
9 Forecast ("Amended Budget") which raises more questions and provides no answers. For  
10 instance, during the week of June 11, 2006, Debtors' Amended Budget identifies "collection of  
11 prepaid interest from borrowers" in an amount in excess of \$10 million. Similarly, the Amended  
12 Budget identifies income in excess of \$2 million on account of "outstanding origination,  
13 extension and closing fees." Over the next thirteen weeks, the Debtors project total cash  
14 collections from operations to be just short of \$22 million, of which, only \$1,234,000 are  
15 attributable to servicing fees.  
16

17 Here, the Official Committee of Direct Lenders sees no justification for Debtors funding  
18 their ongoing operations from anything other than from the proceeds they receive from post-  
19 petition loan servicing fees. To the extent Debtors seek to use the Amended Budget as a means  
20 to obtain Court approval to enter into loan extension or exercise remedies against Direct Lenders  
21 or "pre-paid interests," the Official Committee of Direct Lenders object. Instead the Debtors'  
22 should be limited to funding the operation and administration of their estates through only the  
23 one percent (1%) annual servicing fee and other maintenance fees earned on a post-petition.  
24 Otherwise, all funds received on account of principal and interest must be segregated.  
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1 DATED this 14<sup>th</sup> day of June, 2006.

2 GORDON & SILVER, LTD.

3 By: 

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9 of Holders of Executory Contract Rights  
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